



# Iowa Department of Human Services

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Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

## INFORMATIONAL LETTER NO. 1016

**DATE:** July 29, 2011

**TO:** Iowa Medicaid Pharmacies

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Medical Equipment and Supply Fees

**EFFECTIVE:** September 1, 2011

Governor Culver's Executive Order 19 resulted in a 5 percent reduction in fees for medical equipment and supplies effective December 1, 2009. Due to a technicality in the rule, this reduction was not applied to pharmacies that provide medical equipment and supplies. Pharmacies continued to be paid for these items at the rates in effect prior to December 1, 2009. The department's budget proposal approved by the Iowa Legislature for the fiscal year beginning July 1, 2011, corrected the discrepancy in reimbursement for medical equipment and supplies provided by different provider types. For dates of service on and after September 1, 2011, the fees for medical equipment and supplies provided by pharmacy provider types will be reduced by 5 percent, which is consistent with how other medical equipment and supply providers are reimbursed.

Claims from pharmacies for medical equipment and supplies provided for dates of service December 1, 2009, through August 31, 2011, are not affected by the 5 percent reduction.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, locally 515-256-4609 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).